



United States Department of Agriculture
Food and Nutrition Service

Midwest Region

Reply to
attn of: MWSSNP 2-3:WFM 2

April 27, 2009

Subject: WIC Program - Fiscal Year (FY) 2009 April Allocation of
Contingency Funds

To: State WIC Directors
Midwest Region

Attached are spreadsheets reflecting the funding amounts provided to State agencies for the April allocation of WIC contingency funds. The following provides a listing of the total funding sources for the April allocation:

FY 2009 April Contingency Funds:	
FY 2008 SNAP/WIC Transfer Food Funds	\$15,263,624
FY 2008 SNAP/WIC Transfer NSA Funds	+\$5,705,790
FY 2009 WIC Stimulus Food Funds	<u>+\$38,175,022</u>
Total April Contingency Funds Allocated	\$59,144,436

For the April allocation of contingency funds, the Food and Nutrition Service (FNS) used FNS-798 data (report date: 04/14/2009) to determine each State agency's food funds shortfall (100% of its projected food funds outlays minus its FY 2009 food grant as of the April reallocation, adjusted for backspending and +/- conversions). This allocation provided \$53,438,646 in contingency funds to cover State agencies' reported food funds shortfalls.

In addition, FNS allocated \$5,705,790 in contingency NSA funds. For this allocation, FNS-798 and funding formula data were used to determine the amount of each State agency's April NSA funds request needed to support the actual level of participation being served by the State agency above its formula projected participation. For this determination, each State agency's actual year-to-date average monthly participation (as of January key data) was compared to its formula projected participation to calculate the number of participants being served above its formula projection, which was then multiplied by the State agency's conversion administrative grant per participant (AGP), to establish a baseline amount of need. Next, the amount of over fair share NSA funds received by the State agency as of the April reallocation was subtracted from the baseline. Finally, this calculated amount of need was compared to the State agency's April reallocation request for NSA funds, and the lesser amount, minus any NSA funds received from the April reallocation, became the State agency's need for additional NSA funds (See Attachment 4).

To ensure the effective and efficient administration of program funds, FNS decided to provide only SNAP/WIC transfer funds to the seven Indian Tribal Organization (ITO) and two territorial State agencies that received contingency food funds from this allocation. This decision is consistent with FNS policies and procedures to reduce the administrative burdens of smaller State agencies. All fourteen of the geographic State agencies receiving contingency food funds were provided with a pro-rata share of the

remaining transfer funds and adequate stimulus funds to meet their current food funds shortfalls. The reporting requirements for the fourteen geographic State agencies that received stimulus food funds will be provided to those State agencies in a separate memorandum.

FNS Regional Offices will continue to work closely with State agencies to ensure that their participation, rebates, and food outlays data are reported accurately on the monthly FNS-798 reports. FNS will continue to use this data to determine State agencies' need for additional contingency funds. If necessary, FNS will conduct subsequent allocations of contingency funds to ensure that all eligible persons continue to receive WIC services.

The option for FNS Regional Offices to aggregate 10 percent of each State agencies' NSA reallocation amounts to be used as operational adjustment (OA) funds does *not* apply to the April allocation of contingency NSA funds to support caseload.

If you have any questions, please contact Rochelle Sheets of my staff at (312) 353-3848.

A handwritten signature in cursive script, reading "Trish Solis".

TRISH SOLIS
Acting Regional Director
Special Supplemental Nutrition Programs

Attachments

cc: Marva Mosley, Regional Director, Financial Management